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United States Senate

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS WASHINGTON, DC 26519-6258

March 24, 2015

The Honorable Eric H. Holder, Jr. Attorney General Department of Justice 950 Pennsylvania Avenue, N.W. Room 5111 Washington, D.C. 20530

Dear Mr. Attorney General:

We are writing to inquire about the capacity of the Department of Justice to collect money secured through criminal prosecutions and civil enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government as a result of the Department's litigation efforts remain outstanding.

According to recent reports, \$97 billion in settlements and judgments entered into by the Department remain uncollected — a figure that has tripled since 2004. The Department's collection rate has also reportedly declined over the past decade. In 2004, the Department collected 28 percent of new criminal judgments and settlements. For 2013, that same figure was 22 percent. Collection rates for civil settlements and judgments do not appear to be public.

To assist the Subcommittee, please provide the following information:

- 1. The Department's policies and procedures for collecting settlements and judgments:
- 2. A detailed estimate of the following:
 - Total settlements and judgments entered into by the Department in each of the past 10 fiscal years (FY2004–2014);
 - b. Share of the settlements and judgments described in 2.a that the Department has collected;

 2 Id.

¹ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

- Share of the settlements and judgments described in 2.a that the Department collected within the first two years after the settlement or judgment was entered;
- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the Department. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the Department's efforts to collect each settlement or judgment;
- 8. The name of the defendant or defendants with whom the Department entered into each settlement or against whom each judgment applies and the charges the Department asserted against each such defendant.

The Subcommittee requests that the Department provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,

Rob Portman Chairman

Permanent Subcommittee on Investigations

Clarie McCaskill Ranking Member

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United States Senate

COMMITTEEON
HOMELAND SECURITY AND COVERNAMENTAL AFFAIRS
WASHINGTON TO 20510 6269

March 24, 2015

The Honorable Jacob J. Lew Secretary of the Treasury 1500 Pennsylvania Avenue, N.W. Room 3330 Washington, D.C. 20220

Dear Mr. Secretary:

We are writing to inquire about the capacity of the Department of the Treasury to collect money won through successful enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government remain outstanding.

According to reports, in recent years, many U.S. government agencies have struggled to collect monetary judgments. For example, the Department of Justice alone has failed to collect more than \$97 billion – a figure that has tripled since 2004. The Department of Justice's collection rate has also reportedly declined over the past decade. In 2004, the Department of Justice collected 28 percent of new criminal judgments and settlements. For 2013, that same figure was 22 percent. The Securities and Exchange Commission has experienced a similar trend, collecting only 42% of judgments and settlements assessed between 2010 and 2013, down from 63% in the prior three-year period. And between 2003 and 2013, the Commodity Futures Trading Commission collected only \$4.8 million of the \$3.7 billion it won in fines. Although it appears that data regarding the Department's uncollected judgments is not publicly available, given the problems at other agencies, we are concerned that the Department may be experiencing similar difficulties.

- 1. The Department's policies and procedures for collecting settlements and judgments;
- 2. A detailed estimate of the following:

¹ See Michael Rothfeld and Brad Reagan, Prosecutors Are Still Chasing Billions In Uncollected Debts, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

² Id.

- a. Total settlements and judgments entered into by the Department in each of the past 10 fiscal years (FY2004-2014);
- b. Share of the settlements and judgments described in 2.a that the Department has collected;
- c. Share of the settlements and judgments described in 2.a that the Department collected within the first two years after the settlement or judgment was entered;
- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the Department. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the Department's efforts to collect each settlement or judgment;
- 8. The name of the defendant or defendants with whom the Department entered into each settlement or against whom each judgment applies and the charges the Department asserted against each such defendant.

The Subcommittee requests that the Department provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,

Rob Portman Chairman

Permanent Subcommittee on Investigations

Claire McCaskill Ranking Member

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United States Senate

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WASHINGTON, OC 2000-0080

March 24, 2015

The Honorable Edith Ramirez Chairwoman Federal Trade Commission 600 Pennsylvania Avenue, N.W. Room 438 Washington, D.C. 20580

Dear Chairwoman Ramirez:

We are writing to inquire about the capacity of the Federal Trade Commission to collect money secured through criminal prosecutions and civil enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government remain outstanding.

According to reports, in recent years, many U.S. government agencies have struggled to collect monetary judgments.¹ For example, the Department of Justice alone has failed to collect more than \$97 billion – a figure that has tripled since 2004. The Department of Justice's collection rate has also reportedly declined over the past decade. In 2004, the Department of Justice collected 28 percent of new criminal judgments and settlements. For 2013, that same figure was 22 percent. The Securities and Exchange Commission has experienced a similar trend, collecting only 42% of judgments and settlements assessed between 2010 and 2013, down from 63% in the prior three-year period.² And between 2003 and 2013, the Commodity Futures Trading Commission collected only \$4.8 million of the \$3.7 billion it won in fines.³ Although it appears that data regarding the FTC's uncollected judgments is not publicly available, given the problems at other agencies, we are concerned that the FTC may be experiencing similar difficulties.

- 1. The FTC's policies and procedures for collecting settlements and judgments;
- 2. A detailed estimate of the following:

¹ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

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³ Id.

- a. Total settlements and judgments entered into by the FTC in each of the past 10 fiscal years (FY2004–2014);
- b. Share of the settlements and judgments described in 2.a that the FTC has collected:
- c. Share of the settlements and judgments described in 2.a that the FTC collected within the first two years after the settlement or judgment was entered;
- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the FTC. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the FTC's efforts to collect each settlement or judgment;
- The name of the defendant or defendants with whom the FTC entered into each settlement or against whom each judgment applies and the charges the FTC asserted against each such defendant.

The Subcommittee requests that the FTC provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely.

Rob Portman Chairman

Permanent Subcommittee on Investigations

Claire McCaskill Ranking Member



United States Senate

COMMITTEE ON HOMELARD SECURITY AND GOVERNMENTAL AFFAIRS WASHINGTON, DC 20010-6266

March 24, 2015

The Honorable Richard Cordray Director Consumer Financial Protection Bureau 1700 G Street, N.W. Washington, D.C. 20552

Dear Mr. Director:

We are writing to inquire about the capacity of the Consumer Financial Protection Bureau to collect money won through successful enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government remain outstanding.

According to reports, in recent years, many U.S. government agencies have struggled to collect monetary judgments. For example, the Department of Justice alone has failed to collect more than \$97 billion — a figure that has tripled since 2004. The Department of Justice's collection rate has also reportedly declined over the past decade. In 2004, the Department of Justice collected 28 percent of new criminal judgments and settlements. For 2013, that same figure was 22 percent. The Securities and Exchange Commission has experienced a similar trend, collecting only 42% of judgments and settlements assessed between 2010 and 2013, down from 63% in the prior three-year period. And between 2003 and 2013, the Commodity Futures Trading Commission collected only \$4.8 million of the \$3.7 billion it won in fines. Although it appears that data regarding the CFPB's uncollected judgments is not publicly available, given the problems at other agencies, we are concerned that the CFPB may be experiencing similar difficulties.

- 1. The CFPB's policies and procedures for collecting settlements and judgments;
- 2. A detailed estimate of the following:

¹ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

 $[\]frac{1}{2}Id$

¹ Id.

- a. Total settlements and judgments entered into by the CFPB in each of the past 4 fiscal years (FY2011-2014);
- b. Share of the settlements and judgments described in 2.a that the CFPB has collected;
- Share of the settlements and judgments described in 2.a that the CFPB
 collected within the first two years after the settlement or judgment was
 entered;
- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the CFPB. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2011 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the CFPB's efforts to collect each settlement or judgment;
- 8. The name of the defendant or defendants with whom the CFPB entered into each settlement or against whom each judgment applies and the charges the CFPB asserted against each such defendant.

The Subcommittee requests that the CFPB provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,

Rob Portman Chairman

Permanent Subcommittee on Investigations

Claire McCaskill
Ranking Member

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United States Senate

COMMPTEE ON HOMEEABB DECURED AND GOVERNMENTAL AFFARM WASHINGTON, UC20070 6500

March 24, 2015

The Honorable Mary Jo White Chairwoman Securities and Exchange Commission 100 F Street, N.E. Room 10700 Washington, D.C. 20549

Dear Chair White:

We are writing to inquire about the capacity of the Securities and Exchange Commission to collect money secured through criminal prosecutions and civil enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government as a result of the SEC's litigation efforts remain outstanding.

According to recent reports, the SEC is struggling to collect money payments obtained against defendants. For example, one report noted that, between 2010 and 2013, the SEC collected only 42% of penalties owed. Overall, the government has failed to collect hundreds of billions of dollars.²

- 1. The SEC's policies and procedures for collecting settlements and judgments;
- 2. A detailed estimate of the following:
 - a. Total settlements and judgments entered into by the SEC in each of the past 10 fiscal years (FY2004-2014);
 - b. Share of the settlements and judgments described in 2.a that the SEC has collected:
 - c. Share of the settlements and judgments described in 2.a that the SEC collected within the first two years after the settlement or judgment was entered;

¹ See Michael Rothfold and Brad Reagan, Prosecutors Are Still Chasing Billions In Uncollected Debts, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

² See id.

- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the SEC. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- 6. The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the SEC's efforts to collect each settlement or judgment;
- 8. The name of the defendant or defendants with whom the SEC entered into each settlement or against whom each judgment applies and the charges the SEC asserted against each such defendant.

The Subcommittee requests that the SEC provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,

Rob Portman Chairman

Permanent Subcommittee on Investigations

Claire McCaskill
Ranking Member

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United States Senate

COMMITTEE ON HOMELARD DECUMPY AND GOVERNMENTAL AFFAIRS

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March 24, 2015

The Honorable Timothy G. Massad Chairman Commodity Futures Trading Commission 1155 21st Street, N.W. Room 9060 Washington, D.C. 20581

Dear Chairman Massad:

We are writing to inquire about the capacity of the Commodity Futures Trading Commission to collect money secured through criminal prosecutions and civil enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government as a result of the CFTC's litigation efforts remain outstanding.

According to recent reports, since 2004, the CFTC has collected only 0.01% of judgments it has obtained through enforcement proceedings. Overall, the government has failed to collect billions of dollars.²

- 1. The CFTC's policies and procedures for collecting settlements and judgments:
- 2. A detailed estimate of the following:
 - a. Total settlements and judgments entered into by the CFTC in each of the past 10 fiscal years (FY2004–2014);
 - b. Share of the settlements and judgments described in 2.a that the CFTC has collected:
 - c. Share of the settlements and judgments described in 2.a that the CFFC collected within the first two years after the settlement or judgment was entered:

⁴ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264.

² See id.

- 3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the CFTC. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
- 4. The remaining balance of each judgment or settlement;
- 5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
- 6. The office and official or officials responsible for collecting each settlement or judgment;
- 7. A description of the CFTC's efforts to collect each settlement or judgment;
- 8. The name of the defendant or defendants with whom the CFTC entered into each settlement or against whom each judgment applies and the charges the CFTC asserted against each such defendant.

The Subcommittee requests that the CFTC provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,

Rob Portman Chairman

Permanent Subcommittee on Investigations

Clare wcCaskill
Ranking Member